



Meeting Date:	<u>May 29, 2025</u>	Agenda Type:	<u>Action Items</u>
From:	<u>Jessica Coleman</u> Finance and Risk Manager	Reviewed by:	<u>John Warren</u> Director of Finance
Submitted by:	<u>Dawn Schriewer</u> Chief Financial Officer	Approved by:	<u>Ryan Kelso</u> Chief Executive Officer

RECOMMENDED ACTION: Discuss and Consider Adopting Resolution #2025-198 by the Board of Trustees of New Braunfels Utilities Approving Proposed Amendments to Chapter 130, Article V, Section 130-257 of the Code of Ordinances of the City of New Braunfels (i) Adjusting Sewer Rates and Charges for Fiscal Year 2026; (ii) Providing for Adjustments of Sewer Rates and Charges for Fiscal Year 2027; (iii) Resolving Other Matters Incident and Related Thereto; and (iv) Authorizing Presentation of Same to the City Council of New Braunfels for Its Consideration and Passage

BACKGROUND

In April of 2023, the New Braunfels Utilities (“NBU”) Board of Trustees directed staff to assemble a Community Advisory Panel (“CAP”) tasked with reviewing and providing feedback on certain NBU projects, including a Fiscal Year 2026-2027 Rate Study. On August 31, 2023, the Board approved Resolution #2023-176 establishing the CAP. On October 26, 2023, the Board approved the CAP Bylaws and appointed thirteen (13) CAP members. On June 27, 2024, the Board approved a Professional Services Agreement with Raftelis Financial Consultants, Inc. to conduct a water, wastewater, and electric rate study and to provide related community education.

The revenue requirements for the Sewer Line of Business that are identified in the Fiscal Year 2026 Budget and Five-Year Financial Operating Plan are driven primarily from the need to build and maintain infrastructure to meet regulatory requirements.

NBU’s twenty-year wastewater infrastructure strategies are identified in NBU’s Water/Wastewater Master Plan. The proposed rates will provide the revenue needed to make these investments. The proposed sewer rate design includes an adjustment of base rates for an average system revenue increase of 7.7% for Fiscal Year 2026 and Fiscal Year 2027.

NBU is scheduled to present the first reading of the sewer rate ordinance revisions to the New Braunfels City Council on June 16, 2025, and the second reading on June 23, 2025.

FINANCIAL IMPACT

The new rates will meet the sewer revenue requirement of \$44,690,307 for Fiscal Year 2026 and \$49,599,206 for Fiscal Year 2027.

LINK TO STRATEGIC PLAN

Financial Excellence

EXHIBITS

1. Sewer Rate Resolution #2025-198
2. Sewer Rate Redlined